

MAY 22 1919

GOVERNMENT BY DEFICIT NO. 2

ISSUED BY THE

Bureau of Municipal Research

608 SCHWIND BUILDING

DAYTON, OHIO

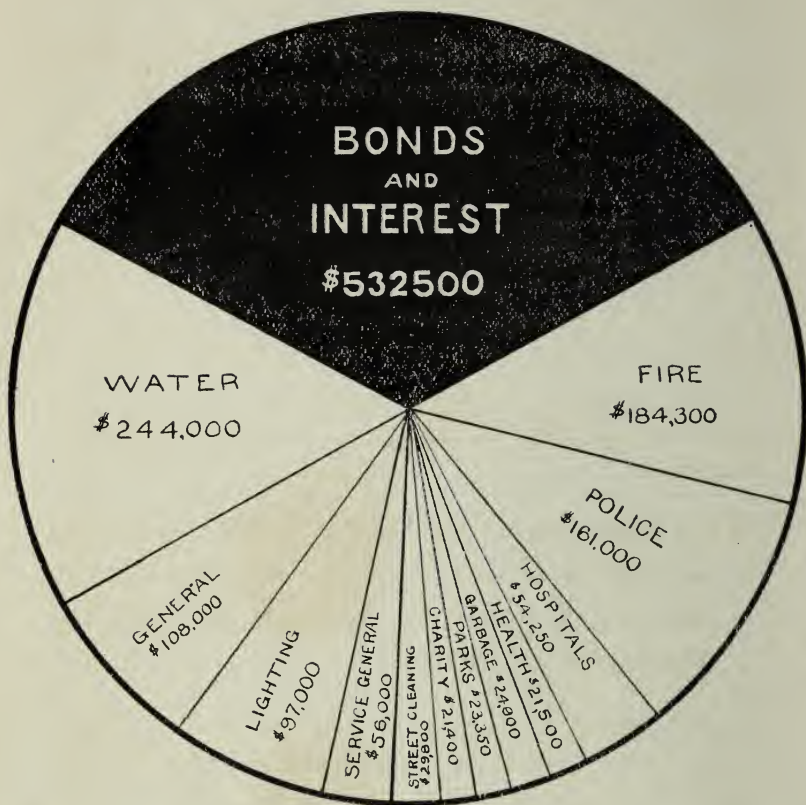
# Why the New Charter Should be Adopted

Public Debt is desirable only when it represents permanent improvements. Much of Dayton's debt stands for improvements which have long since ceased to exist.

Below are instances of the gross carelessness in issuing bonds under the present system.

Amount Still Outstanding	Purpose	Year of Issue	Year of Last Payment	Estimated Life of Improvement
\$108,000	Unpaid bills and payrolls	1909	1924	None
25,000	Street Lighting	1911	1940	Non
30,000	Street Lighting	1911	1925	Non
50,000	Street Repairs	1911	1935	5 years
13,000	Repairing W. 5th St.	1905	1925	5 years
100,000	Paving	1894	1916	10-15 years
175,000	Paving	1893	1919	10-15 years
15,000	Cleaning Sewers	1908	1926	None
25,000	Reissue Street Paving (should have been paid at maturity, 1911)	1894	1927	10-15 years

## This Picture Shows How the City's Money Was Spent in 1913



Debt is good only when it represents improvements; it is bad when it represents nothing. There is now outstanding \$327,000 on street repair bonds, due between 1913 and 1935. Practically all the repairs they represent will be gone before these bonds are paid.

**The City Debt has been rolled up by bad business methods which the provisions of the new charter will prevent.**

**Have you stopped to realize that one reason why we do not have**

Cleaner streets  
Better garbage removal  
Ash and rubbish disposal  
More street lights  
Better paid police and firemen  
Adequate health service

is because our money is going for interest and bonds?

Public debt is a good thing when it represents value received and is no larger than the revenues of the City will bear.

**The Dayton City Debt is \$5,767,700 or \$46.14 per capita, exclusive of nearly a million dollars of special assessment bonds.**

To liquidate this debt we paid in 1913, 47% of our taxes—nearly one-half. In the years to come we shall pay similar amounts.

The taxpayer must supply for bonds and interest, in

1913	-----	\$532,500
1914	-----	545,500
1915	-----	567,600
1916	-----	556,500
1917	-----	560,400
1918	-----	502,100
1919	-----	471,300
1920	-----	480,700

These amounts do not include Special Assessment Bonds.

## **Do You Want— Benefits or Politics?**


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The new Charter says (p. 35) that the terms of special assessment bonds shall in no case be longer than the estimated life of the improvements which they represent.

The Charter further provides (p. 21) that the City Manager shall be the financial advisor of the City Commission and of the Sinking Fund Board, assuring a CAREFUL, INTELLIGENT PROGRAM for incurring debt.

In ten years the public debt for each person has grown from \$26.37 to \$46.14.

**What is the  
Answer?**







GOVERNMENT BY DEFICIT NO. 1

ISSUED BY THE

**Bureau of Municipal Research**

603 SCHWIND BUILDING  
DAYTON, OHIO

# Why the New Charter Should be Adopted

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It is frequently argued that the proposed new City Charter will provide for greater economy and efficiency in city business, no matter who may be elected in the future to administer municipal affairs.

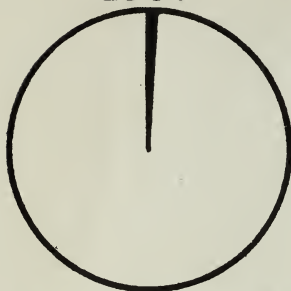
The Bureau of Municipal Research believes that the voter should be familiar with concrete examples in which the suggested procedure will bring such savings in public money, or greater return for the tax dollar.

For that reason it is proposed to issue a series of bulletins on the Charter and its relation to actual facts in the city government, of which this is the first.

# GOVERNMENT BY DEFICIT IN THE SAFETY DEPARTMENT

Whole Circle—Expense. White—Income. Black—Deficit

**1907**



Expense .....	\$328,547
Income.....	327,677
Deficit.....	\$ 870

**1908**



Expense .....	\$343,466
Income.....	315,308
Deficit.....	\$ 28,158

**1909**



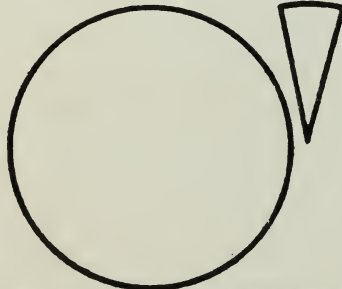
Expense .....	\$355,079
Income.....	254,421
Deficit.....	\$100,000

**1910**



Expense .....	\$378,049
Income.....	325,122
Deficit.....	\$ 52,927

**1911**



Expense .....	\$369,984
Income.....	403,298
Balance.....	\$ 33,314

**1912**



Expense .....	\$333,567
Income.....	303,253
Deficit.....	\$ 30,334

# Government by Deficit

In the past years (excepting this one) Council has customarily appropriated to the departments any sum they requested, knowing that the entire amount appropriated would not come into the treasury to be spent.

In 1912

Council appropriated .....	\$1,051,300
Income of the city was .....	943,000
Excess of Appropriation over Income ----	\$ 108,300

But the departmental heads have changed every two years. New men misunderstanding conditions have "failed to cut the suit to fit the cloth"—i. e., have spent their cash income in the first few months, and then requested Council to borrow money to run them the remainder of the term.

In the past six years Council has incurred debt for CURRENT expenses by issuing city notes which are a lien on city taxes, as follows:

December, 1908 .....	\$ 55,000
March, 1909 .....	33,000
September, 1909 .....	18,600
November, 1910 .....	13,400
June, 1910 .....	15,000
August, 1912 .....	35,000
Total Deficit now Outstanding .....	\$170,000

On December 31, 1907, the outgoing administration left unpaid bills and payrolls to the amount of \$135,000.

In November, 1908, the people voted to issue bonds to pay these bills—bonds dated February 1, 1909, and running for fifteen years to pay current expenses.

In addition to these deficits the city paid for the general street lighting of 1911 with bonds running from ten to thirty years \$55,000.

TOTAL DEFICIT IN SIX YEARS, \$360,000,  
Or an average of \$60,000 per year.

# **Do You Want— Benefits or Politics?**

The new Charter (pg. 30) provides that no money shall be spent by a departmental head unless such money is **ACTUALLY** in the city treasury to the credit of the department.

This means that the new commission may not appropriate more money than is anticipated to come into the city treasury.

If such appropriations should be made the department heads cannot under any circumstances incur debts for more money than will come into the treasury.

It will take time to

**Reduce the bonded debt**

**Eliminate the present deficit**

**Find revenues to meet pressing demands**

**Make up the decrease of \$40,000 annually in liquor revenues**

**But it can be done, AND**

**The New Charter  
Will Prevent It Happening  
Again**